

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF LOUISVILLE GAS AND)	
ELECTRIC COMPANY FOR AN ADJUSTMENT)	CASE NO.
OF ITS ELECTRIC AND GAS RATES)	2014-00372

COMMISSION STAFF'S REQUEST FOR INFORMATION
TO WALLACE MCMULLEN AND THE SIERRA CLUB

Wallace McMullen and the Sierra Club (collectively "Sierra Club"), pursuant to 807 KAR 5:001, is to file with the Commission its electronic responses, a paper original, and three copies of the following information. The information requested herein is due no later than April 6, 2015. Responses to requests for information in paper medium shall be appropriately bound, tabbed and indexed. Each response shall include the name of the witness responsible for responding to the questions related to the information provided.

Each response shall be answered under oath or, for representatives of a public or private corporation or a partnership or association or a governmental agency, be accompanied by a signed certification of the preparer or the person supervising the preparation of the response on behalf of the entity that the response is true and accurate to the best of that person's knowledge, information, and belief formed after a reasonable inquiry.

Sierra Club shall make timely amendment to any prior response if it obtains information which indicates that the response was incorrect when made or, though correct when made, is now incorrect in any material respect. For any request to which

Sierra Club fails or refuses to furnish all or part of the requested information, it shall provide a written explanation of the specific grounds for its failure to completely and precisely respond.

Careful attention shall be given to copied material to ensure that it is legible. When the requested information has been previously provided in this proceeding in the requested format, reference may be made to the specific location of that information in responding to this request. When filing a response containing personal information, Sierra Club shall, in accordance with 807 KAR 5:001, Section 4(10), encrypt or redact the response so that personal information cannot be read.

1. Refer to the Testimony of Paul Chernick (“Chernick Testimony”), pages 15-16. The negative signs in front of the elasticity estimates as well as footnote 15 on page 15 indicate a decrease in consumption resulting from an increase in electricity rates. State whether the studies cited on these pages specifically indicated that an increase in rates results in an opposite and equal change in electricity demand, as the Testimony implies. Provide any discussion of such conclusion in the studies cited.

2. State whether any of the studies cited in the Chernick Testimony, pages 15-16, specifically included the relative impact of changes to fixed monthly customer charges in combination with changes in energy rates. Provide any such discussion from the studies cited.

3. Refer to the Chernick Testimony, pages 19-20, which states, “As the Company and the region move to a system with gas on the margin in most high-load hours, and coal on the margin off-peak, the off-peak environmental costs are likely to exceed the on-peak environmental costs.” Explain how on-peak environmental costs

could be lower than off-peak environmental costs, given that on-peak generation would include not only peaking generation, but also base load generation.

4. Refer to the Chernick Testimony, page 20, lines 9-14. Explain whether Mr. Chernick believes it fair to customers to change the on-peak and off-peak periods after a customer has chosen a time-of-day tariff.

5. Refer to the Chernick Testimony, page 21, lines 7-9, which state, "A long peak period will do nothing to encourage shifting of loads from the highest-cost hours to lower-cost hours within that broad period." Explain why the price differential between the on-peak and off-peak energy rate would not be incentive to shift load.

6. Refer to the Chernick Testimony, pages 39-40. Beginning at the bottom of page 39, Mr. Chernick states, "Shifting that portion of production and transmission costs from the peak rate to the off-peak rate in Exhibit MJB-11 would reduce the peak rate by about 6¢/kWh and increase the off-peak by about 1¢/kWh." Provide the supporting calculations for these amounts.

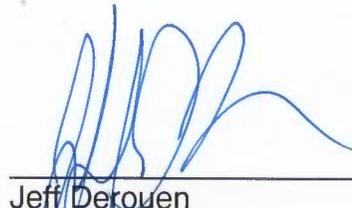
7. Refer to the Chernick Testimony, page 41, lines 8-13.

a. Mr. Chernick recommends that winter evenings be included in the peak period for the Residential Time-of-Day Energy ("RTOD-E") tariff. State whether Mr. Chernick recommends that the winter evening peak period be from 6:00 p.m. to 10:00 p.m. as mentioned on page 32 of his testimony. If not, provide the recommended hours for the evening peak period.

b. Mr. Chernick recommends that the differential between the on-peak and off-peak periods be reduced for the RTOD-E tariff.

(1) Assuming an \$18.00 Basic Service Charge as proposed by Louisville Gas and Electric Company, provide Mr. Chernick's recommended rates for the on-peak and off-peak periods and show how those rates were determined.

(2) Assuming no increase in the Basic Service Charge from the current \$10.75 as the Sierra Club recommends, provide Mr. Chernick's recommended rates for the on-peak and off-peak periods and show how those rates were determined.



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DATED **MAR 23 2015**

cc: Parties of Record

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